IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

| INTEGRATED HEALTH SE OF CLIFF MANOR, INC. et | | |
|--|-------------|---------------------------|
| · — | |) Civil Action No. 04-910 |
| | Plaintiffs, |) |
| V. | | ý |
| THCI COMPANY LLC, | |) |
| | Defendant. |))) |

PLAINTIFFS' REPLY ON ITS MOTION FOR LEAVE TO MAKE A DEPOSIT IN COURT

Plaintiffs herewith reply to the Objection of defendant (also referred to as "THCI") to plaintiff's Motion for Leave to Make a Deposit into Court (the "Motion"), and respectfully assert as follows:

- Defendant has objected to the Motion because (Objection, p.2) "THCI is well able 1. to pay a money judgment". As evidence thereof, the Objection points to the accompanying Declaration of one Kevin Kurtzman, who asserts (par. 2) that "THCI owns, directly or indirectly, twenty-three nursing homes in 11 states". However, the Kurzman Declaration ignores the fact that THCI was at the time the Kurzman Declaration was made creating nine separate limited liability entities to which it intends to assign ownership of the nine properties here in issue. This is a blatant attempt by defendant to insulate its other properties from the liabilities plaintiff has asserted defendant cannot meet, and totally discredits defendant's "evidence" of its supposed solvency.
- 2. Annexed hereto as Exhibit "A" is documentation of the creation and qualification of limited liability companies, in March 2005, each of which has a name which begins with the street address of one of the nine properties in question, and concludes with the addition of the

words "Operating Company, LLC". For example, the first pages of Exhibit "A" demonstrate the qualification in Missouri of a Delaware limited liability company created on March 22, 2005. named "4700 NW Cliff View Drive Operating Company, LLC". 4700 Cliff View Drive is the address, in Kansas City, MO, of the first-named plaintiff in this action. The other pages of Exhibit "A" deals with other entities recently created, with the respective street addresses of several of the other properties in question.

- 3. Plaintiffs are aware of at least one property for which the new entity has obtained from the State regulatory authorities the forms necessary for an application for change in ownership of the nursing home property.
- 4. So much for defendant's spurious evidence of its "solvency". The Motion should therefore be in all respects granted.

Dated: May 6, 2005

Wilmington, Delaware

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